

North Range Crossings

Affordable Housing Project

March 20, 2017



Presentation Outline

- Executive Summary
- Project Location and Overview
- Current Project Status
- Identified Funding Gap
- Request for Fee and Use Tax

Waivers/Rebates

- Discussion



Executive Summary

- 216-unit LIHTC project has a \$1.5 million funding gap.
- Project owner & Housing Authority requesting City assistance
- Is Council willing to help fill gap using fee waivers & use tax rebates?
- Do you want rest of presentation?

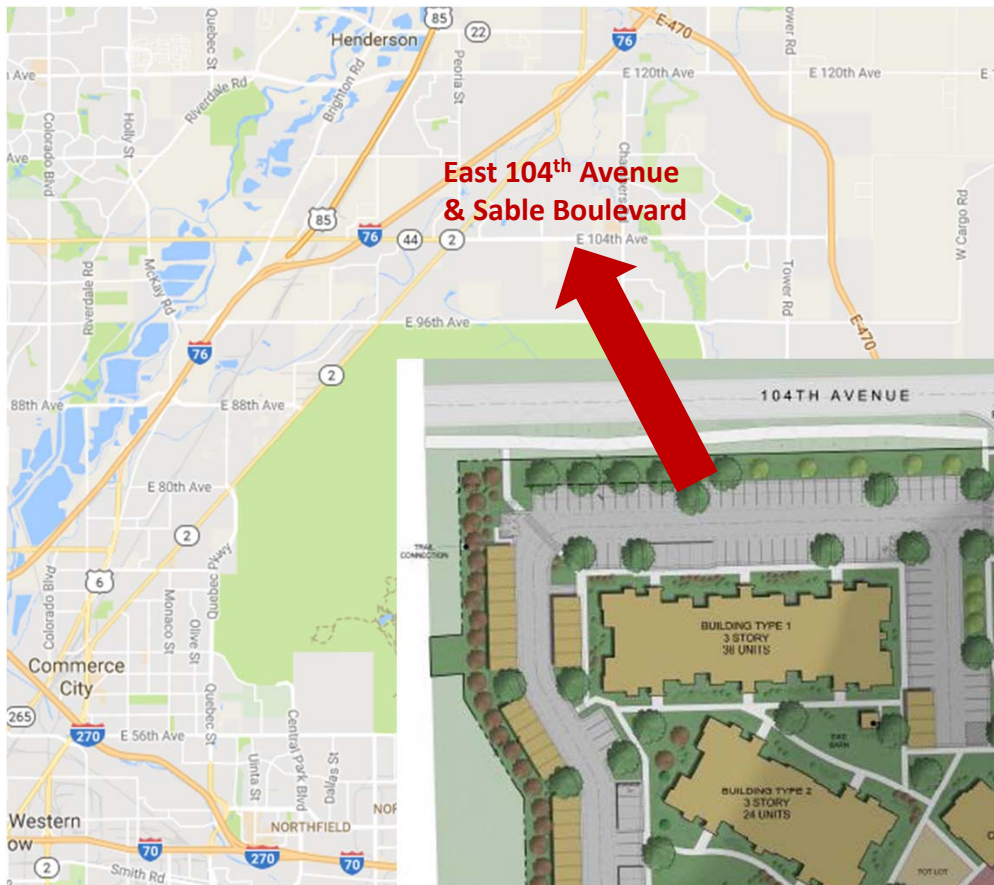


Project Overview

North Range Crossings



Project Location



9250 E Costilla Avenue | Suite 620
Greenwood Village, CO 80112
voice:303.649.9880 fax:303.649.9870
pwnarchitects.com

10.13.2016

Project Overview

- Capital investment: \$57.2 million
- Size: 216-unit apartment complex
(1-, 2- and 3-bedroom apartments)
- Targeted occupants: all residents within 60% AMI threshold

	60% AMI
1 Person	\$ 33,660
2 Person	\$ 38,460
3 Person	\$ 43,260

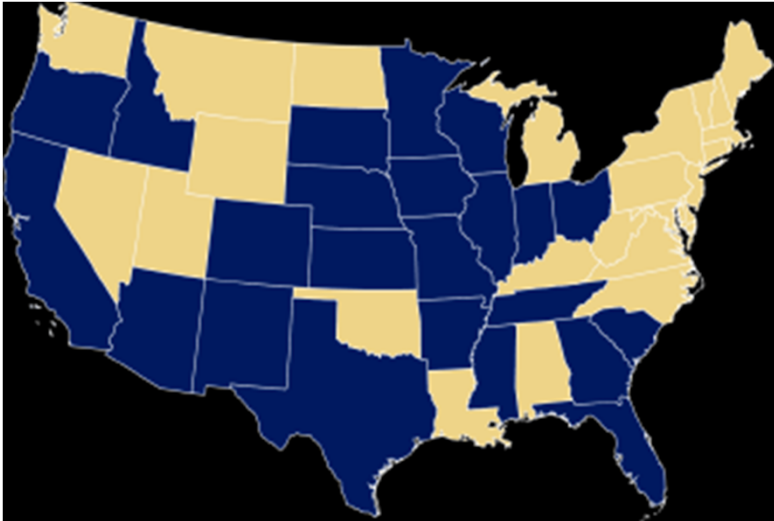


Project Overview

Partnership:

- Commerce City Housing Authority (CCHA) & Dominion Management.
- CCHA will be a special limited partner, with a small ownership interest.





- 2nd largest affordable housing owner/operator
- 45 years of experience in affordable housing
- Long term perspective



Project Status

- Project and partnership with Dominion approved by CCHA Board of Commissioners - Q2 2016
- Development plan approved by the Planning Division - Q4 2016
- Low Income Housing Tax Credit status approved - Q4 2016
- CCHA and housing authorities across the country informed that funding rate on previously approved LIHTC would be reduced to a new, lower rate - January 2017
- Financing gaps identified and project in jeopardy - Q1 2017



Funding Gap

Contributing factors:

- > 15% decline in credit pricing on Low Income Housing Tax Credits (LIHTC)

Pre-election \$1.145, post-election \$0.967

- Loan interest rate went up 0.7%

Pre-election 4.18%, currently 4.88%

- Construction materials costs up \$709,554

Cost increase of \$3,285 per unit



Funding Gap

Total project cost: \$57,191,284

Funding sources: \$55,682,760

Bank mortgages \$30,840,000

LIHTC \$17,840,629

Dominium cash \$ 7,002,131

\$55,682,760

Funding gap: **\$ 1,508,524**



Filling the Gap

Project funding gap amount: \$1,508,524

Requested city participation: \$983,063

- *100% rebate of 3.5% city sale/use tax - \$761,455
(not the dedicated 1% for 2k)*
- *Waiver of building permit fee - \$134,308*
- *Waiver of building plan check fee - \$87,300*

Remaining funding gap: **\$525,461**

(Dominion has agreed to cover the remaining \$525,461 funding gap.)



Discussion Points

- Low inventory of available apartments for rent. Current vacancy is 4.3%.
- There is a low inventory of affordable housing options. Rental rates continue to climb - 4.8% higher than last year.



Discussion Points

- This would be the first affordable housing project north of 96th Avenue.
- This project fulfills City Council work plan goal of increasing the number of income restricted units by 200 in 2017.



Discussion

